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### Federal Communications Commission Washington, D.C. 20054

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)	CC Docket No. 96-113
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Comments of Celltech Information Systems, Inc.

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**Dated:** July 22, 1996

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### Before the Federal Communications Commission Washington, D.C. 20054

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Celltech Information Systems, Inc. submits these comments in response to the Commission's request for comments as part of its mandate under Section 257 of the Telecommunications Act of 1996, calling for the identification of "market entry barriers for entrepreneurs and other small businesses in the provision and ownership of telecommunications services and information services or in the provision of parts or services to providers of telecommunications services and information services."

#### INTRODUCTION

Celltech Information Systems, Inc. is a provider of software and billing solutions for resellers of telecommunications services. Since 1982, Celltech has been supporting small businesses within the telecommunications industry. Most recently, Celltech has been supporting resellers of telecommunications services. Celltech assists small businesses by providing to them the benefit of Celltech's extensive experience in the marketplace and by helping them build an infrastructure to support their business plan.

Since Celltech works with these small businesses on a daily basis, the barriers which they face are quite evident. One of Celltech's major objectives is provide comprehensive, and cost-effective, support solutions to support the telecommunications reseller. Also, Celltech makes every effort to offer, to the new market entrant, the benefit of over 14 years of experience in the telecommunications industry.

Through it's involvement in industry organizations, and participation in exercises such as this, Celltech is working to promote and support telecommunications resale. Therefore, it is in this interest that we submit our comments regarding market entry barriers faced by small businesses entering into telecommunications resale.

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#### MARKET ENTRY BARRIERS - Independent Sources of Information

One obstacle facing new entrants into the business of telecommunications resale is access to a single source of information that will outline the dynamics of a resale business. Some new entrants come from the facilities-based environment and are versed in the needs of a telecommunications-service organization. But others are not aware of some of the nuances of the industry and struggle to find a source of information that can assist them.

Many times these businesses rely on consultants and vendors to provide a checklist, or needs assessment, for what is needed. Other times, however, new entrants are battling with conflicting information from carriers and vendors and are not sure what is needed to start their business. The window of opportunity is then lost and a potential business enterprise has been derailed even before it gets a chance.

Celltech would ask the Commission to continue to support the efforts of industry associations that are dedicated to the reselling industry. Organizations, such as Telecommunications Resellers Association (TRA) and National Wireless Resellers Association (NWRA) are founded, on principle, to support and promote the resale of telecommunications services. There needs to be an increased awareness of these types of organizations and an effort to support them as they become the standard-bearers for the industry.

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#### **MARKET ENTRY BARRIERS - Carrier Relations**

Working with carriers, who provide wholesale service, can be a challenge for new entrants into telecommunications resale. Celltech has worked, until recently, primarily in the wireless segment of the industry. This experience forms the basis for these comments and observations.

Small businesses can become consumed in the bureaucracy of dealing with a large corporation. A carrier's application process can be a daunting challenge for any new reseller. New ventures rely on 'time-to-market' as one of their competitive advantages and the lengthy application process can cost resellers valuable time and diminish their competitive edge.

Carriers approach resellers as either friend or foe. A reseller can be viewed, by the carrier, as an extension of their sales effort which increases distribution, or as a competitor that is being forced upon them. This difference in perspective will many times prove to be the deciding factor regarding a carrier's responsiveness and co-operation towards a reseller. It also can effect the wholesale rates that carriers offer to resellers. Competitive wholesale rates are essential to the success of telecommunications resale. Small businesses cannot become viable if their margins are not substantial enough to allow them to re-invest and develop their business.

The carriers understand competition very well and their processes can provide a challenge for resellers and, consequently, their support infrastructure. Celltech would ask the Commission to review the relationship between carriers and telecommunications resellers by assisting them in moving towards a more streamlined application process and by working for competitive wholesale rates.

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#### CONCLUSION

Telecommunications resale embraces the entrepreneurial spirit. It is the "goldrush" of our generation. Small businesses, of all types, are scrambling to create a telecommunications service package that is better quality, more economical and technologically advanced. Until certain roadblocks are eliminated, resale will not prosper to its fullest potential. Resellers need to be viewed as a "value-added resource" to facilities-based regime that covers that nation and recognized as a viable business.

Celltech encourages and supports telecommunications resale. The reseller is instrumental in driving the competitive nature of telecommunications services. They need to be more resourceful and respond quicker to insure their business is successful. They have an impact upon their local economies by providing careers in the telecommunications industry that may not have previously available.

Celltech encourages and supports the Commissions efforts to identify market entry barriers facing these entrepreneurs and appreciates the opportunity to submit these comments.